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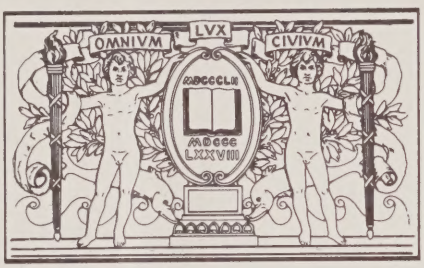

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CITY OF BOSTON
AND THE BRA

The Record FY1985

The Program FY1986

April 1985

Another Varient Draft is kept on BRA/4103. It contains information not found in this report.

Raymond L. Flynn, Mayor
City of Boston

Stephen Coyle, Director
Boston Redevelopment Authority

Boston Redevelopment Authority
Board Members
Robert L. Farrell, Chairman
Joseph J. Walsh, Vice-Chairman
James K. Flaherty, Treasurer
Clarence Jones, Asst. Treasurer
William A. McDermott, Jr., Member
Kane Simonian, Secretary

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Summary

Development-generated jobs, income, tax revenue and linkage. Planning information, regulatory tools and imaginative programs useful for neighborhoods. Improved amenities, aesthetics and livability, and new design and development guidelines for their achievement. Information on the occupational requirements of the future jobs useful for manpower training and education. An expanding flow of housing development, including affordable housing, in this time of a sharpening shelter shortage crisis. These are the objectives of the BRA as Boston's planning and development agency, in this era of a booming city economy.

These objectives, and the FY1986 program and goals of the BRA to help achieve them, are presented with the background of the extraordinary recent, current, and prospective performance of the city's economy, Boston's leadership role among the nation's large cities, and the accomplishments of FY1985 (actual) and FY1986 (projected).

For almost a decade now (since 1976), Boston has excelled in employment growth and development, benefiting from a fundamental economic transformation favoring communications, money management, higher education and medicine, and business and professional services. And, since 1980, population has been rising after thirty years of decline. The year 1984 was one of record levels of employment growth, development investment, property tax yield gains from development and growth in property value. More than that, recently reported comparisons reveal that Boston's performance is unique among the nation's cities, indicating Boston is special.

Boston's future is bright, with a very positive horizon for economic growth and population revival. Job gains for the 1985-95 decade are projected at 100,000+. Private development investment in the 1985-95 years will accommodate the growth in the economy with a projected $6.2 billion of new construction, exceeding last decade's record level. Development projects underway, scheduled and planned for completion in the four-year period 1985-88 total $2.7 billion. For commercial development (office, retail, hotel), the sizable flow of significant developer proposals suggests there will be an adequate level of supply of new structures to meet the projected large growth in demand for space. In the case of housing, however, adequate supply prospects have yet to emerge, even with the construction, fix-up and conversion of 13,000 dwellings, since 1980, and a roster of 7,500 housing unit construction project proposals currently under review.

The record 1984 (and FY1985) performance of the Boston economy included notable accomplishments associated with the role of the BRA (as well as that of city government as a whole and the City Council) in terms of development, tax revenue for the city, jobs, housing, and linkage payments. Private development project completions totaled $1,125,000,000, representing the largest amount of new construction, rehabilitation, and conversion ever completed in Boston in one year, surpassing the $862,000,000 in 1981 and the $765,500,000 in 1975, previous peak years, all measured in dollars of constant value at 1984 prices. New property tax revenue from development totaled $22 million in FY1985, in comparison with the $8 million in new revenue flowing from value growth. The contribution of development to the property tax yield made up the largest increment to new municipal revenue raised in Boston

in FY1985, exceeded only by the $30.2 million net increase in state aid. Boston gained 20,000 net new jobs, in 1984, accommodated by the expansion in office, retail, hotel and industrial facilities. Four hundred million dollars in payrolls was added in Boston in 1984. Development also entailed 20,000 construction jobs (person-years) in Boston, in 1984, also a record. Development also included the completion of 1,800 housing units (new construction, rehab and conversion) in that year. The linkage program, adopted at year-end 1983, provides for development impact project payments to the Neighborhood Housing Trust, and agreements signed by developers in FY1985 already provide for the payment of $29 million.

Accomplishments anticipated for 1985 and 1986 (and FY1986) will also be very substantial, though not up to the record in 1984. Private development investment completions scheduled for 1985 and 1986 total $857 million and $476 million, respectively, all measured in terms of construction cost valued at 1984 prices. The City of Boston Assessing, Treasury, and Budget Departments estimate increases in property tax revenue from development at $15 million, in FY1986. Development is projected to accommodate a growth in jobs of 10,000, in 1985, and 10,000, in 1986. The year 1985 will be a better year for housing completions. New, rehabilitated, and converted dwelling units scheduled to be added to the city's housing stock will total 4,600, in 1985, and 1,700 in 1986. Linkage agreement payments anticipated for 1985 and 1986 will total an additional $25 million.

Looking to the future, the BRA together with city government and the City Council have very good prospects for contributing to new and important accomplishments in furtherance of the objectives of this

agency and the city. For the 1985-95 decade, private development investment is projected at $6.225 billion, in comparison with the $4.875 billion in the 1975-84 period (all expressed in terms of construction cost valued in 1984 dollars). The new additional property tax revenue yield to the city from development would total $200 million, in FY1995, and a cumulative FY1985-95 total of $865 million. Net new job creation in the 1985-95 decade is projected at 100,000 over and above Boston's 1984 level of 580,000 jobs. Boston will need to build 35,000 to 50,000 dwelling units over the next ten years, including a projected 26,000 net new housing units, to accommodate population growth and an even larger number of smaller households; new initiatives and a heroic effort will be needed. Linkage payments of $100 million are projected for the decade.

The work program goals of the BRA for FY1986 have been drawn up in the light of the accomplishments in FY1985, the outlook for achievement in FY1986, and the perspective for advance in the quality of life over the next decade.

Work program goals focus on four areas--(1) for neighborhoods, planning information, technical assistance, program formulation, amenities and improvements, work with the community; (2) private development investment project review and flow management, application of design and development guidelines to achieve goals for environment, amenities, livability, location, and residential and commercial use; application of new zoning regulations to achieve goals for constraining and spreading development and achieving land use goals; (3) housing development, planning and promotion of an expanded flow of new housing construction, rehabilitation and conversion, planning for affordable

housing, to cope with the housing shortage and accommodate needs for population growth and an even larger increase in the number of households; (4) preparation of projections of the occupations of the future jobs as a guide to manpower training and education and placement; and (5) collaboration with city government agencies and the City Council on work activity related to these goals.

I. Outstanding Recent Performance of the Boston Economy

Major indexes of growth and development attest to the outstanding recent and current performance of the Boston economy. Employment has been rising since 1976, with a gain of 80,000 jobs. A development investment boom, which accelerated after 1979, brought $4.4 billion of private development project completions, in the 1976-84 period (all measured in terms of construction cost valued in 1984 dollars). Even with the cutback in federal programs and the slowdown in residential building, 14,000 dwelling units were built, rehabbed and converted in the 1976-84 years. A modest growth in population has emerged since 1980, reflecting a new wave of young households who prefer city living, and reversing 30 years of decline. As a consequence of Proposition 2½, Boston's property tax levy was reduced by $186 million, from FY1981 to FY1984, but is now rising; new development is the principal contributor to municipal revenue growth, ranking close behind the increase in state aid. Property values have been rising spectacularly, with Class A office rentals increasing from $10 a square foot, in 1977, to $30 in 1984, and hotel room rates rising from an average of $40, in 1979, to $80 in 1984.

Structural transformation of the Boston economy, favoring a broad range of those money management and services activities expanding most rapidly nationally, has been the principal engine of Boston's growth. The city's 80,000 net job gain, in the 1976-84 period, centered principally in communications, money management and services. These included a growth of 24,000 jobs in business and professional services, 18,000 in higher education and medicine, 16,000 in finance, and 7,000 in communications--together making up more than 80 percent of the advance

in employment levels. There were gains also in retail trade (6,500), hotels (3,000) and construction (2,000), and net losses in manufacturing and wholesale trade.

The growth in employment was accommodated by $4.4 billion of development construction in the 1974-84 period, including 15 million square feet of new, rehabbed and converted office space, 2.4 million square feet of retail space, 6,088 new and renovated hotel rooms, 6.7 million square feet space for institutions of medicine and higher education, 7 million square feet of industrial space, 255,000 square feet of exhibition space, 263,000 square feet of recreation and cultural facilities, and 5,000 parking spaces.

A new wave of population and household growth has emerged in the last ten years, breathing new life into the city's neighborhoods, with rising pressure on an inadequate supply of housing, creating a near crisis situation, following 2½ decades of post-1950 population loss with suburbanization and the outflow of blue-collar jobs. The new era flows from the coming-of-age of the postwar babies now forming households at a spectacular rate, the shift to smaller households--most frequently one- and two-person households (the most rapidly expanding household group in the nation and in Boston)--and, increasingly, two-worker households, and a preference for city living, attracted by Boston's expanding jobs and amenities. In Boston, one- and two-person households accounted for 66 percent of all households in 1980. Though population for the city as a whole had declined in 1980, there was population growth in the more centrally-located neighborhoods, and, in many Boston neighborhoods, even where population fell, the number of households expanded with their smaller size.

As a consequence of these phenomena exacerbating housing demand, and an inadequate supply of new housing construction, Boston is experiencing a severe housing shortage, and a decade of value growth was capped by record increases in 1984. The average value of a single-family home in Boston has increased from $25,000, in 1975, to $63,000, in 1984. A major local bank research office tracking institutional lenders reports that average mortgage loans (usually 80 percent of value) rose from $45,000, in 1980, to $55,000, in 1983, and $65,000, in 1984. A survey issued by the National Association of Realtors in February reported that housing costs in the Boston area rose faster than anywhere else in the nation in 1984--a resounding 23 percent. No neighborhood has been immune from the effects of the housing shortage and the rise in the cost of housing.

II. Boston and the Nation's Large Cities

Boston is a special city, and the special nature of its recent growth and development is readily seen in comparison with the experience of the nation's other large cities. For the nation as a whole, employment in services activities are the most rapidly expanding sector, and Boston is the preeminent services activity city among the nation's large cities. In 1980, Boston, San Francisco, and New York ranked first, second and third among the nation's large cities, with 54 percent, 51 percent, and 49 percent, of their employment, respectively, concentrated in the broad range of office-related services activities--communication, finance and money management, business and professional services. These cities also have the largest relative roles as exporters of services, with their share of services employment geared to exports ranging from 41 percent, in Boston, to 28 percent in New York and 26 percent in San Francisco.

Boston and the metro area are also setting records in employment growth and unemployment decline. Since 1976, employment in Boston, the metro area, and New England has increased more rapidly than that in the nation as a whole. In December 1984, New England had the lowest rate of unemployment of any region in the nation, Massachusetts had the lowest rate of unemployment of any state, and the Boston metro area had the lowest unemployment rate of any of the 236 metropolitan areas in the country. Boston's unemployment rate of 4.4 percent was the lowest in fifteen years.

Boston leads in the new wave of population growth and household formation favoring the flow to the cities. In 1980, one- and two-person

households made up 54 percent of all households in the nation as a whole, and two-thirds of all households in Boston.

Boston's downtown ranks high in the nation in economic vitality. A 1983 study published by the Urban Investment and Development Corporation of Chicago examined 56 indicators for the downtowns of the 38 largest metro areas, and found that Boston's downtown ranked fourth in market strength, fifth in economic growth and improvement, fourth in retail trade, fifth and sixth in office and hotel markets, respectively, and fourth in the downtown housing market. A 1984 report by the UIDC on office construction in the downtowns of the nation's thirty largest metro areas showed that office development erupted in the 1950s (following a thirty-year lag after the boom of the 1920s), and has been accelerating in the 1970s and 1980s, with Boston gaining rank over the 1950-84 period. Boston ranked eighth in office construction in the 1960s and fourth in 1984. The UIDC report also ranked Boston's mid-1984 office vacancy rate low in comparison. Boston's hotel market is strong. Among 25 major cities, Boston's hotel occupancy rate ranked sixth in 1984.

III. Future Boston, 1985-95

Boston's future is bright because of the very favorable economic and demographic factors noted, and the spectacular recent record of achievement. Projections of the employment outlook for Boston prepared by relating detailed analyses of industry trends in Boston to long-term projections for the U.S. economy, by industry, indicate a prospective growth of 100,000+ jobs in Boston, in the 1985-95 decade, as a consequence of Boston's relative specialization in those industries expected to rise most rapidly nationally. Boston's unique concentration in communications, money management and finance, business and professional services, and the ties to the region's thriving hi-tech industry will be the principal motor of expansion. There would be a growth of 56,000 office jobs representing a one-third increase over the 1984 level of office employment. There would also be an increase of 10,500 manufacturing jobs, signifying a one-fifth rise over the 1984 level. Hotel employment would grow by 5,400, equivalent to an 80 percent increment above the 1984 level. Retail trade employment is projected to increase by 9,000, a growth of 16 percent, in the 1985-95 period.

Employment growth would be accommodated by a projected private development investment of $6.2 billion in the 1985-95 period, in comparison with the actual 1976-84 private development investment of $4.4 billion, and the $2.7 billion of private development projects currently underway, scheduled and planned for completion in the 1985-88 years, all measured in terms of construction cost in dollars of 1984 value, not including the cost of land acquisition and financing.

Boston's population and households will extend the new wave of growth, responding to expanding employment opportunities, the amenities of the City, and the new shape of America's households and the rising preference for city living.

Boston's population, estimated at 580,000+, in 1985, representing a growth of 17,000 since 1980 (the first significant increase since 1950), is projected to rise to 620,000 by 1995, an increment of 40,000 (+7 percent). The number of households will grow more rapidly, placing greater demand pressure on housing requirements. Households, estimated at 232,000, in 1985, with a growth of 14,000 since 1980, are projected to expand in number to 258,000 by 1995, signifying a 1985-95 increase of 26,000 (+11 percent).

Boston would need 26,000 net new dwellings over the decade. With allowance for replacement, this translates into an annual need of 3,500 to 5,000 dwelling units a year over the ten-year period. This projected need compares with the 1970-80 addition of 28,000 dwellings, mostly publicly-assisted (and the removal of 19,000), the construction of 13,000 dwellings in the 1980-85 period, and the 7,500 dwelling unit projects currently under review by the BRA.

IV. 1984 (FY1985), A Record Year for the City's Economy, and A Year of Accomplishments for the BRA, City Government (and the City Council)

The year 1984 stands out as one of extraordinary achievement for the Boston economy, even in the perspective of the 1976-84 period of revival and growth and the very favorable prospects for the 1985-95 decade. The accomplishments of the Boston Redevelopment Authority, city government (and the City Council) were equally noteworthy.

Boston Economy, 1984

Boston, in 1984, far exceeded the rate of growth and development experience of the 1976-84 years--in employment gains, development construction, tax revenue from development, and low rates of unemployment. There were record-breaking rates of office space completions and the absorption of new space by expanding firms. Hotel occupancy rose even as new hotel rooms came on to the market. Retail trade employment had a substantial increase as new retail facilities were completed. Eating and drinking places now make up one-third of retail employment to serve the growth in downtown residents, office workers and visitors.

Employment gains of 18,000 in Boston in 1984 were twice the annual average gain in the 1976-84 period. Development project constructions completions at $1,125 million, in 1984, were twice the annual average rate of the post-1976 years. The $22 million increment in the property tax yield from development was notable and was second only to the increase in state aid in the FY1985 gain in the city's fiscal resources. The Boston unemployment rate of 4.4 percent in December 1984 was the lowest in 15 years. Private development office project completions of

3.6 million square feet of new space, and the absorption of 3.2 million square feet compare with the post-1976 average of 1.3 million. Hotel occupancy rose to a healthy 70 percent rate even as 1,145 new hotel rooms came on to the market. Retail trade employment expanded, in 1984, at more than double the rate of the 1976-84 years.

BRA Accomplishments, 1984 (FY1985)

For the Boston Redevelopment Authority (and city government and the City Council), the year 1984 (and FY1985) was one of accomplishment in development-generated permanent jobs and payroll, construction jobs, tax revenue for the city, linkage payment agreements, and agreements to hire and train city resident workers. There were development project proposal reviews geared to provide a very substantial flow of development investment, employment, tax revenue and linkage payment agreements over the 1985-89 period, together with strengthened policies on the hiring and training of Boston resident workers. Important planning projects were advanced to assure amenities and access to the whole periphery of Boston's harbor and their neighborhoods, with the adoption of new zoning regulations and development guidelines structured to encourage development while enhancing neighborhood livability and access.

New planning initiatives were begun with the concept of drawing on the dynamism of downtown development to achieve goals for revival and expanding opportunity in lagging neighborhoods. New planning studies were launched to cope with the potential danger of unrestrained development in our downtown and Back Bay neighborhoods, and to determine the potential use of zoning and other measures to implement design and

development guidelines to achieve improved amenities, ambience and livability in an era of very strong development pressures. New measures were adopted to monitor and improve the residential impact of institutional development in the city's neighborhoods. New efforts were started to deal with the emergence of a critical housing shortage, with a view to mounting a program to encourage a larger effort in housing development, including affordable housing.

Jobs and Payroll

The City Council adopted a landmark measure broadening housing protection for the elderly, handicapped, and low-income households.

In effect, the BRA planning and development agenda chalked up very solid accomplishments in 1984 in tangible gains for the year, as well as the launching of new planning and development efforts designed to yield important fruits for the immediate future. The year's increment of 18,000 net new jobs, with a payroll increase of $400 million, accommodated by the record level of development project construction completions, are some of the principal roles of planning and development.

Tax Revenue and Linkage Payments Agreements

Tax revenue growth of $22 million, based on development and linkage payment agreements of $29 million represent other important development dividends.

Advancing "Jobs for Residents"

The city's "jobs for residents" regulations, upheld by the U.S. Supreme Court in 1983, and providing for the construction worker hiring of Boston resident workers (50 percent), minorities (25 percent), and women (10 percent), has been substantially broadened by the adoption of a policy requiring a "best, good-faith effort" to hire Boston resident workers for at least 50 percent of the new permanent jobs. A landmark agreement with the Copley Place developer provides for the establishment of a job office and pre-employment training program (all funded by the developer) and a "best, good faith effort" to achieve permanent job hiring goals including Boston residents (50 percent), women (50 percent), minorities (30 percent), and neighborhood residents (17 percent). Similar agreements have been accorded with other major developers in 1984 (1985).

Developers' "Special Initiative" Contributions

In addition to "linkage payments," job preference, and training, major developers in 1984 also agreed to fund a range of "special initiatives" providing for contributions to low- and moderate-income housing, maintenance of the Public Garden and Boston Common, reconstruction of Copley Square, athletic scholarships, Boston schools' job training, and a proposed Neighborhood Development Bank.

Developers' "Public Amenities" Contributions

Developers have also agreed to provide a range of public amenities including a park at Post Office Square, a pedestrian arcade linking

Quincy Market to the Financial District, a water taxi terminal, an indoor public eating area in a 25,000 square foot inner court, pedestrian links between Downtown Crossing and the Financial District, access to an MBTA concourse, and pedestrian improvements to Summer Street, Park Square, and Boylston Street.

"Downtown Projects"

Ten "Downtown Projects; Opportunities for Boston" recommended for approval last October (and currently in a range of stages of "approved" and "under review"), planned for completion in the 1985-89 period, will provide 5.2 million square feet of net rentable office space and 360,000 square feet of retail space at a total development cost of $1.3 billion. These development projects will accommodate 25,000 permanent jobs and entail 13,000 person-years of construction work. Net new annual tax revenue to the City will total $31 million, and the development projects will yield $25 million in linkage payments.

"Harborpark"

"Harborpark," a planning framework report for the East Boston, Charlestown, Waterfront-North End, South Boston, and Dorchester neighborhoods on the harbor periphery, was presented last October. These neighborhoods make up one-fifth of the city's population, housing, property value, and tax revenue, and one-third of the jobs. Acute questions of harbor conditions and use, development impact, access, amenities, ambience and livability highlighted the urgent need for planning review and action. Though some of the Harborpark neighborhoods and their population have not yet benefited fully from the city's

economic transformation and revival, development project proposals suggest a significant potential. To pursue the questions of current concern and the future potential, planning and development measures undertaken thus far include the creation of a citizens advisory committee which has conducted meetings and hearings in a number of Harborpark neighborhoods, the adoption of zoning regulations for the "Harborpark Interim Planning Overlay District," and the establishment of "Interim Design Standards," all geared to expand opportunity and improve access, amenities and livability. A "Fan Piers Citizens Advisory Committee" has also been organized to oversee one of the most important new private development project concepts in Boston. Socio-economic profiles, information on the future market for residential and commercial development, and background on transportation issues have been presented to the Fan Piers Citizens Advisory Committee.

Planning for Dudley Square and Roxbury

Fundamental change in economic and demographic trends, and tax measures and tax fairness have created a new opportunity to advance the City's strategy for harnessing some of the benefits of the development boom to achieve goals for expanding opportunity in a lagging neighborhood. This potential is also enhanced by the availability of vacant land, and the possibility for fuller use of the large investment in public infrastructure in the two decades following 1960. A substantive planning effort has been started, with community participation, sensitivity to the pressures for gentrification and displacement, and a community role in the development process.

Collaborative planning of city and state agencies, to coordinate public investment and development activity, is also involved.

A number of background studies have been prepared for planning use. These include socio-economic profiles, an analysis of property value and tax levy trends, land use, public and private investment, and market analyses. A survey of attitudes toward development found jobs to be the top priority, home ownership was a widely held aspiration, and that, though people rated neighborhood conditions as poor, they were optimistic about the future. Housing, including affordable housing, will be a key planning and development priority.

Boylston Street Zoning Study

Back Bay's popularity as a place to live and work has grown in recent years, obsolescing public development controls adopted in an earlier era when development needed encouragement. An extensive survey of land use and public perceptions, consultation with a Citizens' Review Committee, and an analysis of the real estate economics of height and density provide the basis for proposed public policy and regulatory changes for the Boylston Street Development Corridor presented in the study. The land use analysis and the approach to "down-zoning" represent a new departure, for Boston, in land use and zoning controls to achieve planning and development goals.

Institutional Development

Boston's institutions of higher education and medicine are important to the city's economy and help make Boston the special place that it is. In 1984, these institutions accounted for 64,000 jobs, 11

percent of the city's total, and represented important export activities for the Boston economy. But these institutions are largely tax exempt, and Boston residents make up only a small fraction of their students and patients. In addition, institutional growth has, in the past, impacted neighborhoods adversely--absorbing housing and creating traffic and noise problems. In response, city government and the BRA have sharpened the use of the leverage they have, especially with respect to new construction, conversion and rehabilitation, for neighborhood benefits, payment-in-lieu-of taxes, development impact payments (now required by recently adopted zoning regulations), and amenities.

Important advances were achieved in 1984 (FY1985), in shaping the role of institutions for the benefit of the City and the neighborhoods. A landmark agreement was arrived at with Boston University through the direct intervention of the Mayor and his development adviser providing for the divestiture of housing in Audubon Circle that had been acquired for dormitory use, and the construction of housing on the Massachusetts Armory site acquired. The Massachusetts General Hospital agreed to give the city $3+ million in development impact payments, in relation to the approval of a Planned Development Area construction amendment. Children's Hospital is providing $1 million in development impact payments. Brigham and Women's Hospital agreed to payments-in-lieu-of taxes, as well as development impact payments. Northeastern University has agreed to relinquish its lease on Parcel 18 of the relocated Orange Line, for important planning and development use, in return for a BRA-owned site for a 1,000-car garage. The Jimmy Fund building expansion will provide for ground floor commercial space. The Longwood Medical Center will build a taxable garage and commercial space. The

Children's Inn (hotel) expansion will be taxable and provide commercial and retail space.

Boston by Design

Substantial progress was made on a large-scale planning study whose aim is to provide (for community review) the most detailed information and intensive analysis ever conducted of urban design, environmental (light and air), transportation (and congestion), and development issues in the eleven districts making up Boston's downtown. The potential use of land use zoning modifications and other planning and development tools are being considered with a view to achieving goals for improved livability (avoiding Manhattanization) and broader residential use, while strengthening downtown as the economic engine of the city and the metro area.

Research

The provision of analytic reports and information on the city's population and economy that are useful for planning and development was strengthened in 1984 (FY1985), as was the BRA role as the principal source for demographics and economic information responding to the inquiries of other city agencies, the City Council and the general public. Reports were issued on "employment", "infrastructure investment", "revenue growth through development", "who works in Boston", "development and its fiscal and economic impact", "condominiums", "population and housing, by electoral districts and neighborhoods". New work on the preparation of neighborhood socio-economic profiles was well-started. Projections of the Boston

economy, population and market analyses were updated. Responding to the information needed to cope with the widening housing shortage, work was started on updating and expanding our analytic information base on housing. The interview stage of a representative survey of households, by neighborhood, was completed; the results, when tallied, cross-tabulated and analyzed, will provide a mid-decade measure of the composition of Boston's population and housing, facilitating analysis of change since the 1980 decennial census.

Housing

Residential development, including affordable housing, is now a major priority for city government and the BRA in view of the critical shortage that has emerged and the prospects for even greater demand pressures in FY1986 and future years. Housing needs are projected at 3,500 to 5,000 dwelling units a year, over the next ten years. In contrast, only 13,000 dwelling units were constructed, converted or rehabbed since 1980, reflecting the ebbing role of federal programs and funds available for housing.

To help meet Boston's critical need for housing, a multi-faceted program is being mounted, extending some on-going programs and measures and shaping new ones. At present, the BRA is reviewing project proposals for 7,500 dwelling units, mostly market rate but including an important share of below market housing. Projects in various stages of review include those for redevelopment of Columbia Point, Tent City, the Private Housing Partnership, and the conversion of buildings at the Charlestown Navy Yard for housing.

An extensive survey of housing and building conditions in Boston's downtown districts, and some other neighborhoods is being carried out as part of a study of the market feasibility and the potential for adopting land use zoning regulations to make housing construction attractive.

An inter-agency city effort has been established to facilitate the disposition of abandoned parcels (about 4,000) and structures (about 400) for residential development.

City and state programs and resources available for the housing development are being marshalled. These include the use of city- and BRA-owned structures and land parcels, development impact payments, and "special initiatives" of developers, the Massachusetts Housing Finance Agency, and the state's Sharp program.

An additional and new approach is to encourage developers with proposals for large-scale office, hotel, and retail trade facilities to include a substantial complement of housing, as well as affordable housing. Ambitious goals will be established for new housing, and affordable housing.

In every case, the housing situation, needs, prospects, potential, plans and projects will be submitted to neighborhood constituencies and advisory groups for their consideration, suggestions and recommendations.

V. Anticipated Achievements, 1985 and 1986 (FY1986)

Economic growth and development are expected to yield very substantial gains for Boston, in 1985 and 1986, in employment, development, tax yield, linkage payment agreements, and housing. More housing will be completed in 1985 and 1986, than in recent years, but anticipated job, investment and tax yield gains, though sizable and important, will not match the super year 1984.

An ambitious work program for the BRA in FY1986 will center on strengthening and advancing neighborhood planning, establishing design and development guidelines for downtown districts and other neighborhoods, broadening the use of zoning regulations to achieve planning goals, and focusing importantly on housing development, including affordable housing. There will also be intensive review of the many large-scale development project proposals to assure protection of the public interest, and the achievement of planning and development goals, especially the need for housing. A closer link between development, job creation, and manpower training and education will be forged by defining the occupational skills requirements of the future jobs and attuning training and education programs to expand opportunity for Boston residents. The potential for converting, rehabbing and marketing underutilized BRA (and city) structures will also be pursued.

Boston Economy, 1985 and 1986

Boston's employment boom will continue in 1985 and 1986, the economic base will be broadened with very substantial new investment, tax yields will increase (through development and value growth), and a wider range of development impact project payments, "special

initiatives" of developers, and amenities for the public benefit will be consummated in 1985. Employment growth is projected at 10,000 in 1985, and an equal number in 1986, in comparison with the 18,000 job gain in 1984. Development will require 14,000 person-years of construction employment in 1985 and 9,000 in 1986. These will be accommodated by development project completions scheduled at $857 million, in 1985, and $476 million, in 1986, in comparison with the 1984 record year total of $1,125 million (all measured in terms of construction cost and valued in 1984 prices). Development-generated property tax growth is projected at $15 million, in FY1986 and an additional $14 million, in FY1987, in contrast with the FY1985 increment of $22 million (all estimated by the City of Boston Assessing, Treasury and Budget Departments). Development Impact Payments agreements are expected to total $50 million (including the $29 million accorded in FY1985).

Office space completions (new construction, conversion, and rehab) are scheduled at 3.2 million square feet, for 1985, and 1.9 million square feet, in 1986, in contrast with the 5.2 million completed in 1984 (including the State Transportation Center Building). Retail trade development project completions are scheduled at 387,000 square feet, in 1985, and 339,000 square feet, in 1986, in comparison with 848,000 square feet, in 1984. Medical and higher educational institutional expansion is scheduled at 347,000 square feet, in 1985 and 1986, while 700,000 square feet were finished in 1984. Industrial space completions will be larger, countering the trend, with scheduled completions of 2 million square feet in 1985 and 1986, in contrast with the 1.2 million completed in 1984. For the City's stock of hotel rooms, 1,310 rooms will be added through new construction and renovation, in 1985 and 1986,

in comparison with 1,145 rooms, in 1984. The housing picture will be brighter with the scheduled completion of 6,300 dwellings (new construction, conversion and rehab) in 1985 and 1986, in comparison with 1,805, in 1984.

BRA Work Program Goals, FY1986

Following the lead of the Mayor (and the City Council), the BRA will more closely attune its work program to the priority needs and opportunities of FY1986. This means focusing the work program on neighborhood planning and housing production, while marshalling the large flow of private development project proposals in the public interest. Another key task centers on helping to bridge the match of job creation and job opportunity for Boston residents by identifying occupational requirements as a guide to manpower training and education programs. A major new direction will be the establishment of broad-scale and detailed urban design and development guidelines for the eleven districts making up Boston's downtown. For this and other planning purposes, more sophisticated applications of land use zoning as a planning and development tool will be unwrapped. Finally, a more intense effort at enlarging the contribution to the city's revenue needs will be undertaken with respect to development-generated tax revenue, development impact project payments, special developer initiatives, developer-provided amenities, and the marketing of underutilized BRA-owned structures.

Neighborhood Planning

The beginnings of the revival of neighborhood planning, in FY1985, with "Harborpark," planning for Dudley Square and Roxbury, the Boylston Street Zoning Study, and the work on "Boston by Design," will be substantially broadened. A new urgency for helping neighborhoods define issues and opportunities and alternatives (through articulated planning information and communication) has emerged as a consequence of (1) the spreading housing shortage and demand pressures and rising values, (2) the impacts of development, and (3) the city's determination to provide for infrastructure needs and good public services at a time of budget constraints.

The intent is to broaden the flow and exchange of information on neighborhood trends and condition--population, housing, economic base, private development (institutional development), public infrastructure, transportation, public services--useful for an informed constituency concerned with planning issues and opportunities. For FY1986, neighborhood planning information and analyses will be marshaled for (1) Downtown, Back Bay and Beacon Hill, (2) North End, (3) South End, (4) Allston-Brighton, Fenway-Kenmore, and (5) Jamaica Plain-West Roxbury-Roslindale-Hyde Park.

Housing

The priority focus on housing begun in FY1985, to expand the ways and means of increasing the supply, including that for affordable housing, and to ameliorate the pressures of gentrification and displacement, will be redoubled in FY1986. There will be new efforts to encourage developers to include an important housing component in their

plans. An innovative and broader use of land use zoning controls will be applied to favor residential development. The potential for leverage on critical factors in the economics of housing costs will be explored. Imaginative efforts of nonprofit packagers of projects for housing rehabilitation for low- and moderate-income families will be encouraged. The creative use of linkage funds and developers' "special initiatives" to favor housing will be pursued. The use of public-owned land parcels and their cost write down for housing for low- and moderate-income families will be carried out.

At the same time, strategies and measures to protect the interests of low- and moderate-income families and their housing will be aggressively promoted. This will include the monitoring of the ownership and management of public-assisted housing as well as the enforcement of city housing ordinances adopted in 1984 constraining evictions of the poor, the elderly and the handicapped.

The goal would be (1) to raise the level of housing production, conversion and rehab to the annual rate of 3,500 to 5,000 dwelling units needed, and (2) to protect all of the housing rights of low- and moderate-income families.

Development Project Review

A very significant flow of development projects underway and scheduled assures a dramatic broadening of Boston's economic base in the remaining years of this decade. Over and above this flow of projects underway and scheduled, there is a very impressive roster of development project proposals for implementation in the 1990s which appear to be in tune with the foreseeable (1990-95-2000) market demand and needs of

Boston--for office, retail, industrial and hotel space to accommodate economic growth. There are development proposals also designed to meet long-range institutional needs for facilities of higher education and medicine. (In the case of housing, as noted, however, there is a shortfall in developer proposals for housing, especially affordable housing).

Developers' projects underway and scheduled for completion by 1990 include 9 million square feet of office space, 1,590 hotel rooms, and 600,000 square feet of retail space.

Developer project proposals currently in various stages of formulation and toward implementation in the 1990-95-2000 period already include 10 million square feet of office space, 5,000 hotel rooms, and 1.1 million square feet of retail space.

These projects for the 1990s would accommodate more than 50,000 permanent jobs and substantially broaden Boston's economic base. The city's office space, totaling 49,000,000 square feet, year-end 1984, is scheduled to rise to 58,000,000 square feet by 1990, and projects already on the drawing board could raise this level to 68 million in the 1990s. Boston's 10,200 hotel rooms, as of year-end 1984, are scheduled to increase to 11,400 by 1990, and developer proposals would raise this level to 16,400 in the 1990s. Boston's 20 million square feet of retail space (including 8 million downtown) as of year-end 1984, is scheduled to number 21 million square feet by 1990, and project proposals would bring the level to 22 million square feet in the 1990s. In each case, projected demand exceeds the anticipated supply.

With this large development agenda of projects scheduled for completion in the remaining years of this decade, as well as those

proposed for the 1990s, the BRA has a formidable responsibility for conducting a systematic, objective review process to assure the full benefits for the public interest. While the foremost of these are jobs, expanding opportunity and tax revenue, there are other equally important objectives that must be assiduously pursued. These include balance--both in terms of downtown vs. neighborhood development as well as commercial vs. residential development.

Boston intends to achieve great strides in encouraging a share of the development flow to those lagging neighborhoods which are most in need of expanding opportunity while both protecting downtown from Manhattanization and guarding neighborhood preferences on development. And the City is determined to prevail upon those intent on commercial development to include plans for housing, including affordable housing, over and above linkage, "special initiatives," and amenities.

Finally, more exacting standards and criteria of environmental protection--light, wind, shadow, congestion--urban design, preservation, and attention to neighborhood concerns will be applied. Above all citizen participation in development project review will be carefully nurtured.

Design and Development Guidelines

The innovative design and development studies begun in FY1985--"Boylston Street Zoning Study Interim Report"--responded to the need to update zoning and design standards, in recognition of the transition from an earlier era's intent to encourage development at a time of urban distress, to today's potential for pursuing more exacting standards of design and respecting neighborhood concerns for livability.

Design and development guideline studies will be substantially broadened, in FY1986, to include the eleven neighborhood districts of downtown, the North End and other neighborhoods with the intent of establishing standards for design, including height and density, as well as criteria of environmental enhancement and historic preservation. Boston will work at achieving the best of all worlds--attractive design and environmental enhancement compatible with development needs and objectives. Fortunately, the availability of sufficient attractive development sites on the periphery of downtown and in suitable locations in the city's neighborhoods, suggests the real possibility of achieving the best of both worlds.

Citizen response to new design guidelines and proposed zoning regulations, aimed at better design and amenities, less height and bulk, and careful attention to commercial, industrial, residential, and recreational use have already received favorable responses from residents of Back Bay, North End, and the Harborpark neighborhoods.

Land Use Zoning As A Planning Tool

Boston's land use zoning ordinances have not been significantly modified in decades, and largely reflect an earlier epoch when (1) the industrial base was more than twice what it is today, (2) office space was less than half today's magnitude, (3) the city's economy was in depression, with limited danger of growth impacts, and (4) today's aspirations for livability and environmental protection had not yet emerged. As the development process accelerated, the request for and approval of zoning variances became the most predominant activity related to the land use zoning ordinances.

Today's planning needs and opportunities, however, require a new page in the city's land use zoning ordinances to help achieve the goals and potential of a thriving city economy, faced with a housing shortage at a crisis level, and a citizenry articulating higher standards of neighborhood livability and environmental protection. In a word, the time has come to utilize land use zoning ordinances as a planning tool for the needs and aspirations of today and tomorrow.

Borrowing a leaf from innovative land use zoning measures and applications recently adopted by other cities, including San Francisco, Denver, Atlanta and Hartford, the BRA and the City of Boston will undertake to update the city's land use ordinances and adapt them as a tool for advancing today's planning needs. The good beginning in FY1985 with respect to the Harborpark Interim Overlay Zoning ordinance and the "Boylston Street Land Use Interim Study" will be broadly intensified in FY1986 to help achieve important planning and development and quality of life goals. A good start was made in FY1985 with concerns for (1) harbor access, people use, amenities and the quality of life, (2) preserving livability in Back Bay's thriving residential and commercial neighborhood, and (3) protecting the residential and historic character of the North End. Land use zoning and planning objectives in FY1986 will focus on new studies and efforts to (1) encourage residential development downtown, through zoning, to meet the needs for housing while accommodating goals for commercial development, (2) urban design and development guidelines to achieve goals for livability and people uses, and the avoidance of Manhattanization, with an eye to amenities, environmental enhancement, preservation, and neighborhood concerns.

Job Creation, Job Opportunity, Training and Education Link

In FY1986, the BRA will undertake to help link the extraordinary flow of job creation and job opportunity to manpower training and education programs by providing detailed projections of the occupational skills requirements of Boston's future jobs, as a guide to manpower training and education.

Raising Revenue for Boston

New approaches to raising revenue for Boston will be explored in FY1986. Beyond development-generated tax revenue, linkage, developer "special initiatives," and amenities, the BRA will undertake to study the potential revenue yield of opportunities for astute management and development of BRA- and city-owned property in today's real estate market with premium values on many public-owned sites.

Research

A very active research program will be carried out to provide the studies and reports useful for planning and development and for an informed citizenry. This will include the preparation of neighborhood socio-economic profiles, monitoring of the city economy, market projections, analysis of the fiscal impact of development, survey research on demographics and the office industry, housing planning and development information, and the projections of occupations.